

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

Lordstown Motors Corp., *et al.*¹

Debtors.

Chapter 11

Case No. 23-10831 (MFW)

(Jointly Administered)

Objection Deadline: October 16, 2023 at 4:00 p.m.

**SUMMARY COVER SHEET OF SECOND MONTHLY APPLICATION OF
SILVERMAN CONSULTING FOR ALLOWANCE OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM
AUGUST 1, 2023 TO AND INCLUDING AUGUST 31, 2023**

| | |
|--|---|
| Name of Applicant: | <u>Silverman Consulting</u> |
| Authorized to Provide Professional Services to: | <u>Debtors and Debtors-in-Possession</u> |
| Date of Retention: | <u>Effective June 27, 2022</u> |
| Period for Which Compensation and Reimbursement Are Requested: | <u>August 1, 2023 – August 31, 2023</u> |
| Total Amount of Compensation (100%): | <u>\$252,638.00</u> |
| Amount of Compensation Requested (80%): | <u>\$202,110.40</u> |
| Amount of Compensation Held Back (20%): | <u>\$50,527.60</u> |
| Amount of Expense Reimbursement Requested: | <u>\$21,241.92</u> |
| Aggregate Amount to be Paid Under Compensation Procedures Order upon filing certificate of no objection regarding application after expiration of Objection Deadline: | <u>\$223,352.32</u> |

This is a monthly fee application.

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are: Lordstown Motors Corp. (3239); Lordstown EV Corporation (2250); and Lordstown EV Sales LLC (9101). The Debtors' service address is 27000 Hills Tech Ct., Farmington Hills, MI 48331.

MONTHLY FEE APPLICATIONS FILED

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|----------------|-----------------------------|--------------|-------------|------------------------------|-------------|-------------|----------|---------------------------------------|----------|
| | | Requested | | Approved On Monthly Basis | | Holdback | | Total Approved By Interim Order | |
| Date; D.I. | Period Covered | Fees | Expenses | Fees | Expenses | Fees | Expenses | Fees | Expenses |
| 8/22/23 291 | 6/27/2023 – 7/31/2023 | \$183,620.20 | \$11,136.91 | \$146,896.16 | \$11,136.91 | \$36,724.04 | \$0 | \$0 | \$0 |

**SUMMARY OF TOTAL FEES AND HOURS
BY PROFESSIONAL**

| Name | Title | Hours | Hourly Rate | Fee Amount |
|-------------------------------|------------------|---------------|-----------------|---------------------|
| Constadinos D. Tsitsis | Partner | 124.90 | \$525.00 | \$65,572.50 |
| Scott Kohler | Partner | 119.50 | \$525.00 | \$62,737.50 |
| Steven A. Nerger | Partner | 49.80 | \$350.00 | \$17,430.00 |
| Alex Bauer | Director | 30.40 | \$320.00 | \$9,728.00 |
| Ellen Hammes | Associate | 103.80 | \$290.00 | \$30,102.00 |
| Michael Mollerus | Associate | 131.10 | \$270.00 | \$35,397.00 |
| Alex Crnkovich | Associate | 117.30 | \$270.00 | \$31,671.00 |
| Grand Total | | 676.80 | \$373.28 | \$252,638.00 |

STATEMENT OF FEES AND HOURS BY PROJECT CATEGORY

| Code | Category Description | Hours | Fee Amount |
|--------------|---|---------------|---------------------|
| 1-1 | Preparation of Budgets, Availability Reports, Business Evaluation and Flash Reports | 62.50 | \$18,724.00 |
| 2-1 | Daily Management and Operations | 112.85 | \$40,251.00 |
| 2-4 | Sale of Company matters | 55.10 | \$21,906.00 |
| 3-1 | 341 Creditors Meeting | 1.80 | \$945.00 |
| 3-3 | Creditor communications & negotiations | 3.60 | \$1,490.50 |
| 4-2 | Case Administration | 339.10 | \$131,491.00 |
| 4-3 | Monthly Operating Reports | 33.80 | \$11,738.00 |
| 4-4 | Bankruptcy Schedules, SOFA and IDI information | 49.25 | \$16,913.50 |
| 4.5 | Fee Application Preparation | 18.80 | \$9,179.00 |
| Total | | 676.80 | \$252,638.00 |

EXPENSE SUMMARY

| Expense Category | Category Total |
|-------------------------|-----------------------|
| Administrative | \$180.49 |
| Airfare | \$7,533.30 |
| Meals | \$2,388.60 |
| Lodging | \$6,663.86 |
| Transportation | \$4,475.67 |
| Grand Total | \$21,241.92 |

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In re

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Debtors.

Chapter 11

Case No. 23-10831 (MFW)

(Jointly Administered)

Objection Deadline: October 16, 2023 at 4:00 p.m.

**SECOND MONTHLY APPLICATION OF SILVERMAN CONSULTING FOR
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD AUGUST 1, 2023 TO AND INCLUDING AUGUST 31, 2023**

Silverman Consulting (“**Silverman**”), restructuring advisors for the debtors and the debtors in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases, hereby files this second monthly application (this “**Application**”) for the period from August 1, 2023 to and including August 31, 2023 (the “**Fee Period**”) requesting (a) allowance and payment of compensation for professional services to the Debtor in the amount of \$202,110.40, representing 80% of the \$252,638.00 of fees earned by Silverman for professional services to the Debtors during the Fee Period, and (b) reimbursement of 100% of the actual and necessary expenses incurred by Silverman during the Fee Period in connection with such services in the amount of \$21,241.92. In support of this Application, Silverman respectfully represents as follows:

JURISDICTION, VENUE AND PREDICATES FOR RELIEF

1. This Court has jurisdiction to consider this Application under 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference, dated February 29, 2012 (Sleet, C.J.). This

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are: Lordstown Motors Corp. (3239); Lordstown EV Corporation (2250); and Lordstown EV Sales LLC (9101). The Debtors’ service address is 27000 Hills Tech Ct., Farmington Hills, MI 48331.

is a core proceeding under 28 U.S.C. § 157(b). Venue of the Chapter 11 Cases and this Application is proper in this District under 28 U.S.C. §§ 1408 and 1409.

2. The predicates for the relief requested by this Application are sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “**Bankruptcy Code**”), rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), and the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Chapter 11 Professionals and Committee Members*, entered July 25, 2023 [D.I. 181] (the “**Compensation Procedures Order**”).

BACKGROUND

3. On June 27, 2023 (the “**Petition Date**”), the Debtors each commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code (collectively, the “**Chapter 11 Cases**”). The Chapter 11 Cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On July 11, 2023, the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) appointed the official committee of unsecured creditors for these Chapter 11 Cases. On September 7, 2023, the U.S. Trustee appointed the official committee of equity security holders pursuant to section 1102 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases.

4. The Court has authorized the Debtors to retain and employ Silverman as their restructuring advisors, effective as of the Petition Date, pursuant to the *Order Authorizing the Debtors to Employ and Retain Silverman Consulting as Restructuring Advisor Effective as of the Petition Date*, entered July 25, 2023 [D.I. 176] (the “**Retention Order**”). The Retention Order

authorizes the Debtors to compensate and reimburse Silverman in accordance with the terms set forth in the Engagement Letter, including the Fee and Expense Structure as defined and set forth therein (as modified by the Retention Order), and to pay fees and reimburse expenses to Silverman on the terms set forth in the Engagement Letter (as modified by the Retention Order).

5. On July 25, 2023, the Court entered the Compensation Procedures Order. The Compensation Procedures Order provides, among other things, that each Professional seeking interim compensation may file an application (a “**Monthly Fee Application**”) for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during the immediately preceding month and serve a copy of such Monthly Fee Application on the Notice Parties (as defined in the Compensation Procedures Order). Then, each Notice Party will have until 4:00 p.m. (prevailing Eastern Time) on the twentieth (20th) day after service of a Monthly Fee Application to object thereto (the “**Objection Deadline**”). Upon expiration of the Objection Deadline, the Professional may file a certificate of no objection consistent with Local Rule 9013-1(j) with the Court after which the Debtors are authorized to pay each Professional an amount equal to the lesser of: (i) 80 percent (80%) of the fees and 100 percent (100%) of the expenses requested in the Monthly Fee Application; and (ii) 80 percent (80%) of the fees and 100 percent (100%) of the expenses not subject to an objection.

RELIEF REQUESTED

6. By this Application, in accordance with the Compensation Procedures Order, Silverman requests payment in the aggregate amount of \$202,110.40, which is equal to (a) 80% of the \$252,638.00² of fees earned by Silverman for professional services to the Debtors during

² This amount reflects a voluntary reduction of \$61,295.00 for the Fee Period.

the Fee Period; and (b) 100% of the \$21,241.92 of actual and necessary expenses incurred by Silverman during the Fee Period in connection with its services to the Debtors.

SUMMARY OF SERVICES RENDERED

7. Attached hereto as **Exhibit A** is a detailed statement of Silverman's hours expended and fees earned during the Fee Period. A summary of Silverman's hours expended and fees earned during the Fee Period grouped by category (discussed below) are in the summary cover sheets prefixed to this Application. The Silverman professionals who provided services to the Debtors during the Fee Period are also identified in **Exhibit A** and in the summary cover sheets. The services rendered by Silverman during the Fee Period are grouped into the categories set forth in **Exhibit A** and in the summary cover sheets prefixed to this Application. These categories include:

| Code | Category Description |
|-------------|---|
| 1 | Business Analysis and Reports |
| 1-1 | Preparation of Budgets, Availability Reports, Business Evaluation and Flash Reports |
| 1-2 | Preparation of Financial Data to Support Motions |
| 1-3 | Preparation of Financial Projections |
| 1-4 | Plan Development & Strategy |
| 1-5 | Preparation of Plan and Disclosure Statement |
| 2 | Business Operations |
| 2-1 | Daily Management and Operations |
| 2-2 | Reports to / from Parties in Interest |
| 2-3 | Meetings / communications with lender, lender's agent or its counsel |
| 2-4 | Sale of Company Matters |
| 3 | Meetings and Communication with Creditors |
| 3-1 | 341 Creditors Meeting |
| 3-2 | Meetings/communication with lenders |
| 3-3 | Creditor communications & negotiations |
| 4 | Case Administration |
| 4-1 | Travel |
| 4-2 | Case Administration |
| 4-3 | Monthly Operating Reports |
| 4-4 | Bankruptcy Schedules, SOFA and IDI information |
| 4-5 | Fee Application Preparation |

8. Silverman professionals expended a total of 676.80 hours in connection with this chapter 11 case during the Fee Period. All services rendered by Silverman for which compensation is sought pursuant to this Application were rendered solely to or on behalf of the Debtors. No payments were received by Silverman from any other source for services rendered or to be rendered in connection with these Chapter 11 Cases.

ACTUAL AND NECESSARY EXPENSES

9. Attached as **Exhibit B** is a detailed statement of Silverman's out-of-pocket expenses incurred during the Fee Period, totaling \$21,241.92. These expenses include, but are not limited to, airfare, ground transportation, lodging, and meals.

VALUATION OF SERVICES

10. As noted above, the amount of time spent by each Silverman professional providing services to the Debtors during the Fee Period is set forth in the summary cover sheets hereto. The rates reflected thereon are Silverman's customary hourly rates for work of this character. The reasonable value of the services rendered by Silverman for the Fee Period as restructuring advisors to the Debtors in this chapter 11 case is \$252,638.00. The blended rate for compensation requested in this Application is approximately \$373.28.³

11. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the fees requested are fair and reasonable given (a) the complexity of this chapter 11 case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

12. Although Silverman has made every effort to include all fees earned and expenses incurred during the Fee Period, some fees and expenses might not be included in this Application

³ The blended rate is calculated by taking the total of fees included in this Monthly Fee Application and dividing by the total of hours included in this Monthly Fee Application, rounded to the nearest cent.

due to delays caused by accounting and processing during the Fee Period. Silverman reserves the right to make further applications to this Court for allowance of such fees and expenses not included herein. Subsequent fee applications will be filed in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the Compensation Procedures Order.

CERTIFICATION OF COMPLIANCE

13. The undersigned has reviewed the requirements of Local Rule 2016-2 and certifies that, to the best of his knowledge, information, and belief, this Application complies with the requirements of that Local Rule.

WHEREFORE, Silverman requests allowance and payment of compensation for professional services to the Debtors during the Fee Period in the amount of \$202,110.40 representing 80% of the \$252,638.00 of fees earned by Silverman for professional services to the Debtors during the Fee Period, and reimbursement of 100% of the actual and necessary expenses incurred by Silverman during the Fee Period in connection with such services in the amount of \$21,241.92, for a total interim award of \$223,352.32.

Dated: September 25, 2023
Chicago, Illinois

Respectfully submitted,

SILVERMAN CONSULTING

/s/ Constadinos D. Tsitsis
Constadinos D. Tsitsis
Partner